



# Senate

General Assembly

**File No. 703**

January Session, 2015

Substitute Senate Bill No. 853

*Senate, April 16, 2015*

The Committee on Banking reported through SEN. WINFIELD of the 10th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

## **AN ACT CONCERNING ACCELERATED BENEFITS OF LIFE INSURANCE POLICIES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Subsection (a) of section 38a-457 of the general statutes is  
2 repealed and the following is substituted in lieu thereof (*Effective*  
3 *October 1, 2015*):

4 (a) As used in this section:

5 (1) "Accelerated benefits" means benefits payable under a life  
6 insurance policy sold in this state: (A) During the lifetime of the  
7 insured, in a lump sum or in periodic payments, as specified in the  
8 policy, (B) upon the occurrence of a qualifying event, as defined in the  
9 policy, and certified by a physician or an advanced practice registered  
10 nurse who is licensed under the laws of a state or territory of the  
11 United States, or such other foreign or domestic jurisdiction as the  
12 Insurance Commissioner may approve, and (C) [which] that reduce  
13 the death benefits otherwise payable under the life insurance policy.

14 (2) "Insurance policy" or "policy" means an insurance policy or  
15 certificate or rider or endorsement thereto.

16 (3) "Qualifying event" means (A) a medically determinable  
17 condition suffered by the insured that can be expected to result in  
18 death in a relatively short period of time, such as twelve months and  
19 may include, but is not limited to, coronary artery disease, myocardial  
20 infarction, stroke, kidney failure or liver disease, (B) a medical  
21 condition that would, in the absence of extensive or extraordinary  
22 medical treatment, result in death in a relatively short period of time,  
23 such as twelve months, or (C) a medically determinable condition  
24 suffered by the insured [, which] that has resulted in the insured being  
25 considered a chronically ill individual for the purposes of Section  
26 101(g) of the Internal Revenue Code of 1986, or any subsequent  
27 corresponding internal revenue code of the United States, as amended  
28 from time to time, and which has caused the insured to be confined for  
29 at least six months in such insured's place of residence or in an  
30 institution that provides necessary care or treatment of an injury,  
31 illness or loss of functional capacity, and for which it has been  
32 medically determined that such insured is expected to remain confined  
33 in such place of residence or institution until death.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2015	38a-457(a)
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**BA** Joint Favorable Subst.

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

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***OFA Fiscal Note******State Impact:*** None***Municipal Impact:*** None***Explanation***

The bill makes grammatical changes to the insurance statutes. There is no fiscal impact.

***The Out Years******State Impact:*** None***Municipal Impact:*** None

**OLR Bill Analysis****sSB 853*****AN ACT CONCERNING ACCELERATED BENEFITS OF LIFE INSURANCE POLICIES.*****SUMMARY:**

This bill makes technical changes to a life insurance statute.

EFFECTIVE DATE: October 1, 2015

**BACKGROUND*****Legislative History***

The Senate referred the bill (File 49) to the Banking Committee, which reported a substitute that removes a provision in the file copy expanding when a person is considered chronically ill and thus eligible to receive accelerated benefits under a life insurance policy.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable

Yea 17 Nay 0 (02/25/2015)

Banking Committee

Joint Favorable Substitute

Yea 16 Nay 0 (04/07/2015)